

AR83

THE EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION CONTAINED IN THIS FILING STATEMENT, WHICH IS A REPRODUCTION OF THE ORIGINAL FILED WITH THE EXCHANGE BY THE COMPANY AND IS ISSUED FOR INFORMATION PURPOSES ONLY. THIS FILING STATEMENT IS NOT TO BE REPRODUCED IN WHOLE OR IN PART WITHOUT THE WRITTEN APPROVAL OF THE TORONTO STOCK EXCHANGE.

THE TORONTO STOCK EXCHANGE

23/1/69

FILING STATEMENT NO. 1697.
FILED, JUNE 6th, 1969.

file
AIMCO INDUSTRIES LIMITED

Full corporate name of Company
Continued under The Corporations Act (Ontario) by letters
~~patent of amalgamation dated December 28, 1968.~~
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.

A. Purchase of Ralph Milrod Metal Products Limited

The Company has pursuant to an agreement made as of the 26th day of August, 1968 but actually executed on the 11th day of December, 1968 (the "Milrod Agreement") agreed to purchase all of the outstanding shares of Ralph Milrod Metal Products Limited ("Milrod") for a consideration of \$2,500,000 to be satisfied as to \$1,656,250 by payment in cash on closing on or about January 31, 1969 and as to the balance of \$843,750 by the allotment and issue of 75,000 fully paid and non-assessable shares of the Company which shares are being issued at \$11.25 per share being not less than 90% of the price at which the shares of the Company were being traded on August 21, 1968, the day prior to the date upon which the parties reached agreement in principle.

The agreement entered into between the parties was made on an arms-length basis. Milrod manufactures original equipment parts for the automobile manufacturers and presently operates from a 40,000 sq. ft. plant in Toronto with 150 employees. It is a specialized fabricator of stamped and welded assemblies for which it designs and manufactures the dies it requires.

NOTE-Copies of the audited Financial Statements of Ralph Milrod Metal Products Limited as at December 31st, 1968 with comparative figures for December 31st, 1967 are on file with The Toronto Stock Exchange.

B. Increase in Employees' Stock Options

Pursuant to the Milrod Agreement the Company has undertaken to seek the approval of the Exchange to the granting of options under the Company's Employee Stock Option Plan to purchase 3,000 shares of the Company to each of three Milrod employees, none of whom are shareholders of Milrod. Under the said Plan the Company originally authorized the granting of options to purchase 30,000 shares. With the concurrence of the Exchange the number of shares authorized under the Plan was increased to 40,000. If the foregoing options to Milrod employees are authorized the number of options that may be granted under the Plan will be increased to a total of 49,000 shares.

There are presently outstanding options to purchase 31,760 shares pursuant to the Plan which are exercisable as to 21,760 shares at \$5.00 per share and as to 10,000 shares at \$15.75 per share. Options previously granted under the Plan with respect to 4,940 shares have been exercised.

The price at which options may be granted under the said Plan is fixed at not less than 90% of the market value of the Company's shares.

2. Head office address and any other office address.	The head office of the Company is at 5150 Dixie Road, Mississauga, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<p>The names, home addresses, positions held with the Company and chief occupations for the past five years of the directors and officers of the Company are set forth below.</p> <p>Nathan Goodman, 61 Old Park Road, Toronto, Ontario. Chairman of the Board and Director</p> <p>Irving Birrell Goodman, 204 Acton Avenue, Downsview, Ontario. President, Treasurer and Director</p> <p>William Franklin Purves, 90 Cordova Avenue, Apartment 512, Islington, Ontario. Director</p> <p>Harry Louis Mendelson, Q.C., R.R.No.1, Maple, Ontario. Director</p> <p>Winfield Aloysius Green, 19 Riverview Avenue, Tonawanda, New York, U.S.A. Director</p> <p>Samuel Goodman, 35 Brookview Drive, Toronto, Ontario. Secretary</p> <p>Kenneth Foley, C.A., 32 Wallingford Road, Don Mills, Ontario. Comptroller</p> <p>Messrs. Nathan Goodman, Irving Birrell Goodman and Samuel Goodman have been directors, officers or employees of the Company for the past five years.</p> <p>From November 1963 to November 1964 Mr. Purves was President and a Director of Weatherhead Company of Canada Limited, from January 1965 to December 1967 Mr. Purves was with Aimco Automotive Industries and since that date he has been with the Company.</p> <p>From November 1962 to September 1965 Mr. Green was employed as Financial Vice-President of Tree Pickle Company Inc. and from September 1965 to date Mr. Green has been employed by Aimco Industries of Buffalo, Inc.</p> <p>Mr. Mendelson during the previous five years has been senior partner of the law firm of Messrs. Mendelson, Beatty and Wood, Toronto.</p> <p>Prior to February 1, 1966 Mr. Foley was Manager, Cost Accounting, Lever Brothers Limited. From that date to January 1967 Mr. Foley was Chief Accountant, Contract Division, T. Eaton Company Limited. From January 1967 to December 1968 Mr. Foley was Internal Audit Manager of Rio Algom Mines Limited.</p>
4. Share capitalization showing authorized and issued and outstanding capital.	The authorized capital of the Company is divided into 2,000,000 shares without par value of which, at December 31, 1968, 662,774 shares were issued and outstanding as fully paid and non-assessable.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	On January 5, 1968 the Company issued \$2,000,000 principal amount of 7-1/2% Convertible Sinking Fund Debentures Series A due 1988, secured by floating charge, of which on December 31, 1968 following certain conversions there were \$1,622,000 outstanding. Other long term debt of the Company and its subsidiaries secured by mortgages and equipment contracts bearing interest at rates ranging from 3-3/4% to 8% and maturing from 1971 to 1984. amounted on December 31, 1968 to approximately \$ 692,000 .

<p>6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.</p>	<p>Reference is made to Item 1A as to the proposed issue of 75,000 shares and to Item 1B as to employee stock options presently outstanding and proposed to be given.</p> <p>The Series A Debentures referred to in Item 5 are convertible into shares of the Company at \$6.50 per share to December 31, 1972 and thereafter at \$10.00 per share to December 31, 1977.</p>
<p>7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.</p>	<p>Under the Company's employee stock option plan and after giving effect to the granting of the options referred to in item 1B, there will be outstanding options to purchase 40,760 shares of the Company. The options will be held by approximately 35 employees of the Company and its subsidiaries, will be exercisable as to 21,760 shares at \$5.00 per share to December 18, 1973, as to 10,000 shares at \$15.75 per share to October 31, 1973 and as to 9,000 shares at \$16.20 per share to January 31, 1974.</p>
<p>8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.</p>	<p>No payments in cash or securities of the Company will be made to any promoter or finder in connection with the purchase of the outstanding shares of Milrod.</p>
<p>9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.</p>	<p>The Company is a manufacturer and wholesaler of new and used automotive parts for the replacement market and is an accepted secondary supplier of unlined brake shoes for the original equipment market. In terms of sales volume the Company's most important product is unlined brake shoes. Other principal products of the Company's manufacturing division include brake drums, clutch diaphragms and starter drives. The Company also operates an auto parts rebuilding division, an automotive wholesale division and a scrap metal division.</p> <p>With the acquisition of Milrod which manufactures original equipment parts for the automobile manufacturers, important new product lines will be added to the Company's overall operations. Prior to the acquisition of Milrod, the Company's principal activities were centered on the automotive after-market. The acquisition of Milrod is expected to increase the growth potential for the Company's sales and earnings.</p> <p>Over the past year the Company has added a 40,000 square foot addition to its plant on Dixie Road and made expenditures of approximately \$400,000 for additional machinery and equipment.</p> <p>Current development plans include the purchase of a 20,000 square foot plant at St. Catharines to be used for the machining of brake drums, the addition to the Company's product lines of disc brake plates and the expansion of warehousing and manufacturing facilities in Buffalo. Planned expenditures for new machinery and equipment during the current year amount to approximately \$750,000. In addition to the foregoing plans are being considered for the establishment by Milrod of a wheel manufacturing plant.</p>

FINANCIAL STATEMENTS

AIMCO INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET (Unaudited)

JANUARY 31, 1969

ASSETS

Current Assets

Cash	\$ 737,014
Marketable Securities	50,000
Accounts Receivable	2,840,349
Receivable from a Shareholder	66,430
Inventories, at lower of cost and net realizable value	4,429,123
Prepaid expense and deposits	<u>56,170</u>
	\$ 8,179,086

Mortgage Receivable, non-current portion

29,338

Fixed Assets, at cost

Land	146,403
Buildings	1,249,688
Machinery and Equipment	<u>3,031,148</u>
	4,427,239
Less accumulated depreciation	<u>1,594,975</u>
	2,832,264

Goodwill, being excess of cost of shares in subsidiary over book value at acquisition

1,523,635

\$ 12,564,323

LIABILITIES

Current Liabilities

Bank Advances (secured)	\$ 3,451,635
Accounts Payable and Accrued Liabilities	2,293,340
Taxes Payable	577,075
Loan Payable	50,000
Principal instalments due within one year on long term debt	<u>83,933</u>
	\$ 6,455,983

Long Term Debt, non-current portion (Note 2)

2,282,655

Deferred Income Taxes (Note 3)

14,464

Shareholders' Equity

Capital Stock (Note 4)

Authorized - 2,000,000 Shares without par value	2,566,674
Issued - 740,681 Shares	<u>1,244,547</u>
Retained Earnings (Note 5)	3,811,221

Contingent Liability (Note 6)

\$ 12,564,323

Approved on Behalf of the Board

Matthew Goodman
Director

Charles B. Goodman
Director

AIMCO INDUSTRIES LIMITED

Notes to Consolidated Financial Statements

January 31, 1969

1. BASIS OF CONSOLIDATION AND CURRENCY CONVERSION

The consolidated financial statements include the accounts of all subsidiary companies, all of which are wholly owned. The principal operating subsidiaries are, Aimco Industries of Buffalo, Inc., Seaway Salvage, Inc., and Ralph Milrod Metal Products Limited, which latter company was acquired as at January 31, 1969.

In the consolidation all inter-company transactions, including inter-company profits in inventories, have been eliminated and income taxes applicable to inter-company profits have been charged to deferred income taxes - (Note 3).

The statements of the United States subsidiaries have been converted into Canadian dollars at an average rate of 7½% - for interim purposes only. This is a departure from year-end procedure where the following basis is used:

Current assets and current liabilities at the rate of exchange on July 31st;

Fixed assets (including depreciation thereon) at the rates prevailing at the dates of issue;

Revenue and expenses, other than depreciation provisions, at the average rates of exchange during the year.

2. LONG TERM DEBT, non-current portion

AIMCO INDUSTRIES LIMITED

Equipment contracts payable (secured)	\$	70,408
7.3/4% mortgage due 1971		89,160
7.3/4% mortgage due 1977		124,064
7% mortgage due 1984		145,477
7½% Convertible Debentures, Series A, due 1988		1,603,000

AIMCO AUTOMOTIVE INDUSTRIES OF BUFFALO, INC.

8% Note (secured by mortgage) due 1982 (U.S. \$ 118,367)	133,160
3.3/4% note (secured by mortgage) due 1982 (U.S. \$ 76,196)	85,136

636 BABCOCK STREET, INC.

6% note (secured by mortgage) due 1976 (U.S. \$ 30,000)	32,250
--	--------

\$ 2,282,655

3. DEFERRED INCOME TAXES

Deferred income tax credits arise because the companies intend to claim depreciation for income tax purposes in excess of that charged to income and also from investment credits (U.S. subsidiary companies) which will be taken into income over the estimated life of the fixed assets involved. These credits have been reduced by the income tax applicable to inter-company profits in inventories. As these profits are realized the applicable tax will be charged to income.

4. CAPITAL STOCK

The company issued the following shares during the six months ended January 31, 1969:

- (a) 55,080 shares for \$358,020 on conversion of debentures;
- (b) 75,000 shares for \$843,750 as partial consideration for the investment in a subsidiary;
- (c) 4,940 shares for \$24,700 on exercise of employee stock options.

At January 31, 1969, 44,060 shares were reserved for the exercise of options granted or which may be granted under the Company's Employee Stock Option plan. There were outstanding under the plan options to purchase 40,760 shares, exercisable as to 21,760 shares at \$5.00 per share, as to 10,000 shares at \$15.75 per share and as to 9,000 shares at \$16.20 per share. The options are exercisable at various dates up to January 31, 1974.

Unissued shares have been reserved for issue upon the conversion of the 7½% convertible sinking fund debentures, Series A, and on exercise of employees' stock options.

5. DIVIDEND RESTRICTIONS

The trust indenture under which the debentures are issued contains certain provisions restricting the payment of dividends. At January 31, 1969, there was no portion of retained earnings available for the payment of dividends under the most stringent of these provisions.

6. CONTINGENT LIABILITY

There is a lawsuit against Alenco Automotive Industries of Buffalo, Inc., in the amount of U.S. \$100,000 for damages resulting from an allegedly faulty product component. If this latter claim is successful the company will have a right of action against the supplier of the component. The actual liability, if any, is indeterminable at this time and no provision for loss has been made in the accounts.

AIMCO INDUSTRIES LIMITED and SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS (Unaudited)

For the Half Year Ended January 31, 1969

SOURCE OF FUNDS

Net Profit from Operations	\$ 262,477
Add Funds not Requiring Cash Outlay:	
Depreciation provided	124,160
Deferred tax adjustment	<u>349</u>
Proceeds from Issue of Shares	\$ 386,986
Addition to Long Term Debt	1,226,470
Deferred Finance Charges Reclassified as Current Assets	71,657
Working Capital of Business Acquired -	21,393
Ralph Milrod Metal Products Limited	<u>690,974</u>
	\$ 2,397,480

APPLICATION OF FUNDS

Investment in Ralph Milrod Metal Products Limited	2,500,000
Investment in Fixed Assets (Net)	555,923
Reduction in Non-Current Portion of Long Term Debt	<u>378,728</u>
DECREASE IN WORKING CAPITAL	3,434,651
WORKING CAPITAL, JULY 31, 1968	(1,037,171)
WORKING CAPITAL, JANUARY 31, 1969	<u>2,760,274</u>
	<u>\$ 1,723,103</u>

AIMCO INDUSTRIES LIMITED

and Subsidiary Companies

STATEMENT OF INTERIM EARNINGS (Unaudited) for the Half Year ended January 31, 1969 (with comparative figures for the half year ended January 31, 1968)

	1969	1968
Sales	\$5,539,044	\$5,268,175
Cost and Operating Expenses	4,828,903	4,762,581
Depreciation	124,160	97,645
Interest on Long Term Debt	84,504	24,029
	<u>5,037,567</u>	<u>4,884,255</u>
Income before Income Taxes	501,477	383,920
Income Taxes	239,000	181,302
	<u>262,477</u>	<u>\$ 202,618</u>
Consolidated Net Income (representing 40 cents per share* - 34 cents in 1968)		
Add Net Income for the half-year of Ralph Milrod Metal Products Ltd.	<u>222,797</u>	
Combined Net Income (74 cents per share*)	<u>\$ 485,274</u>	

*Based on average number of shares of Aimco Industries Limited
outstanding during the half year.

10. Brief statement of company's chief development work during past year.	See Item 9															
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	<p>The names and addresses of the vendors of the Milrod shares are as follows:</p> <p>Ralph Milrod and Sylvia Milrod 10 York Road, Willowdale, Ontario.</p> <p>Louis S. Brody and Pearl Brody 2603 Bathurst Street, Toronto, Ontario.</p>															
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	<p>The consideration to be paid for the Milrod shares will be paid to the vendors as follows:</p> <table><tr><td>Ralph Milrod</td><td>375 shs</td><td>\$ 8,776.25</td></tr><tr><td>Sylvia Milrod</td><td>37,125</td><td>819,348.75</td></tr><tr><td>Louis S. Brody</td><td>375</td><td>8,776.25</td></tr><tr><td>Pearl Brody</td><td>37,125</td><td>819,348.75</td></tr><tr><td></td><td><u>75,000</u> shs</td><td><u>\$1,656,250.00</u></td></tr></table>	Ralph Milrod	375 shs	\$ 8,776.25	Sylvia Milrod	37,125	819,348.75	Louis S. Brody	375	8,776.25	Pearl Brody	37,125	819,348.75		<u>75,000</u> shs	<u>\$1,656,250.00</u>
Ralph Milrod	375 shs	\$ 8,776.25														
Sylvia Milrod	37,125	819,348.75														
Louis S. Brody	375	8,776.25														
Pearl Brody	37,125	819,348.75														
	<u>75,000</u> shs	<u>\$1,656,250.00</u>														
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	<p>To the knowledge of the Company no shares are held in escrow or under a pooling agreement.</p> <p>Under the Milrod Agreement Mr. and Mrs. Milrod have agreed that they will not dispose of any of the 37,500 shares to be received by them except that they may be used as collateral for loans not exceeding 50% of the market price of the shares and that they may be disposed of as to 30% upon the expiration of one year, 30% upon the expiration of two years and the remainder upon the expiration of the three years from the date of receipt thereof. Mr. and Mrs. Brody have entered into a similar agreement as to the 37,500 shares to be received by them except that they may dispose of 50% of their shares after one year and the balance after two years. The vendors are not restricted from transferring shares among themselves or to family holding companies or trusts.</p>															
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	See item 13 above.															
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table><tr><td>Nathan Goodman, 61 Old Park Drive, Toronto, Ontario.</td><td>119,999</td></tr><tr><td>Irving Birrell Goodman, 204 Acton Avenue, Downsview, Ontario.</td><td>119,999</td></tr><tr><td>Carl Goodman, 33 Brookview Drive, Toronto, Ontario.</td><td>83,999</td></tr><tr><td>F. H. Deacon & Company Limited, 105 Adelaide Street West, Toronto, Ontario.</td><td>108,961</td></tr><tr><td>Bache & Co. 360 Bay Street, Toronto, Ontario.</td><td>43,700</td></tr></table> <p>Nathan Goodman and Irving Birrell Goodman hold \$650,000 of the Series A Debentures referred to in item 5.</p> <p>The Company does not know the names of the beneficial owners of the shares registered in the names of F. H. Deacon & Company Limited and Bache & Co. except that 66,000 of such shares are beneficially owned by Samuel Goodman, 35 Brookview Drive, Toronto, Ontario.</p>	Nathan Goodman, 61 Old Park Drive, Toronto, Ontario.	119,999	Irving Birrell Goodman, 204 Acton Avenue, Downsview, Ontario.	119,999	Carl Goodman, 33 Brookview Drive, Toronto, Ontario.	83,999	F. H. Deacon & Company Limited, 105 Adelaide Street West, Toronto, Ontario.	108,961	Bache & Co. 360 Bay Street, Toronto, Ontario.	43,700					
Nathan Goodman, 61 Old Park Drive, Toronto, Ontario.	119,999															
Irving Birrell Goodman, 204 Acton Avenue, Downsview, Ontario.	119,999															
Carl Goodman, 33 Brookview Drive, Toronto, Ontario.	83,999															
F. H. Deacon & Company Limited, 105 Adelaide Street West, Toronto, Ontario.	108,961															
Bache & Co. 360 Bay Street, Toronto, Ontario.	43,700															

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	As indicated in item 15 the holdings of Messrs. Nathan Goodman, Irving Birrell Goodman, Carl Goodman and Samuel Goodman are large enough to materially affect control of the Company.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	N/A
18. Brief statement of any lawsuits pending or in process against company or its properties.	<p>In an action commenced in July 1967 in California by a subsidiary to recover the cost of goods sold (\$U.S.4,253) the defendants have counterclaimed for damages in the amount of \$U.S.100,000. The counterclaim is being defended. If the counterclaim is successful the Company and its subsidiary will under their product liability insurance have a cause of action against the insurers with whom they carry product liability insurance.</p> <p>The Company upon purchasing certain assets assumed liability in respect of an action commenced in the Supreme Court of Ontario by Dennis Smith on May 16, 1966 for damages in the amount of \$102,000 claimed by reason of an alleged breach of an oral contract to purchase shares of a company. This action is being defended.</p>
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts.

CERTIFICATE OF THE COMPANY

DATED

Jan 22, 1969

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"N. Goodman"

"I.B. Goodman"

CORPORATE
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT No. 2295

LISTED May 6, 1968

937,692 shares without par value, of which 337,692 shares are subject to issuance.

Stock Symbol "AIO"

Post Section 2.1

Dial Quotation No. 1963

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

AIMCO INDUSTRIES LIMITED

a company continued under The Corporations Act (Ontario) by letters patent of amalgamation dated December 28, 1965

CAPITALIZATION as at January 31, 1968

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Shares without par value	2,000,000	600,000	937,692*
*of which 337,692 are subject to issuance			
LONG TERM DEBT, non current portion			
AIMCO INDUSTRIES LIMITED			
Sinking Fund Debentures			
7½ % Convertible Sinking Fund Debentures			
Series A due January 5, 1988	\$2,000,000 ⁽¹⁾	\$2,000,000	—
OTHER			
Equipment contracts (secured)		19,588	—
7¾ % Mortgage due 1971		101,423	—
7¾ % Mortgage due 1977		119,413	—
7% Mortgage due 1984		151,365	—
SUBSIDIARY COMPANIES			
Aimco Automotive Industries of Buffalo, Inc.			
8% Note (secured by mortgage) due 1982			
(U.S. \$124,190)		134,111	—
3¾ % Note (secured by mortgage) due 1982			
(U.S. \$79,639)		86,004	—
636 Babcock Street, Inc.			
6% Note (secured by mortgage) due 1976			
(U.S. \$35,833)		38,557	—

⁽¹⁾Subject to the restrictions contained in the trust indenture under which the Series A Debentures are issued, debentures may be issued without limitation in amount.

April 26, 1968

1. APPLICATION

AIMCO INDUSTRIES LIMITED (the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 937,692 shares without par value of the Company (the "Shares"), of which 600,000 Shares have been issued and are outstanding as fully paid and non-assessable. The remaining 337,692 Shares included in this application have been reserved for issue (a) as to 307,692 thereof upon conversion of the Company's outstanding \$2,000,000 aggregate principal amount of 7½ % Convertible Sinking Fund Debentures Series A due January 5, 1988 which are convertible up to the close of business on December 31, 1977 at a conversion price of \$6.50 per share if conversion is effected on or prior to December 31, 1972 and thereafter and on or prior to December 31, 1977 at a conversion price of \$10.00 per share, and (b) as to 30,000 thereof upon the exercise of options granted pursuant to the Company's Employee Stock Option Plan. Options granted under such Plan are exercisable at \$5.00 per share up to the close of business on December 18, 1973.

2. REFERENCE TO PROSPECTUS

Reference is made to the attached prospectus (the "Prospectus") issued by the Company under date of December 20, 1967 with respect to the secondary offering of 150,000 Shares of the Company, which Prospectus is hereby incorporated in this application and made part hereof. Particulars of the incorporation, history, business and properties of the Company and its subsidiaries are set forth in the Prospectus.

3. SHARES ISSUED SINCE AMALGAMATION

Upon amalgamation at December 28, 1965, 150,000 Shares were issued to the shareholders of Nathan Goodman Limited, Irving Goodman Limited, Carl Goodman Limited, Milton Goodman Limited, Samuel Goodman Limited and Namsic Limited.

As disclosed under the heading "Interest of Management and Others in Material Transactions" on page 9 of the Prospectus pursuant to agreements dated August 1, 1967, 450,000 Shares were issued as follows: (a) 410,000 Shares for the assets of the partnership business carried on by Nathan Goodman, Irving Birrell Goodman, Carl Goodman, Samuel Goodman and Milton Goodman under the name "Aimco Automotive Industries" including all of the issued shares of Aimco Automotive Industries of Buffalo, Inc., (b) 30,000 Shares for all of the issued shares of Seaway Salvage, Inc. and (c) 10,000 Shares for all of the issued shares of 636 Babcock Street, Inc.

4. **VOTING RIGHTS**

Each Share in the capital of the Company is entitled to one vote at all meetings of shareholders and all Shares rank equally in respect of dividend rights and upon a winding up or dissolution of the Company.

5. **DIVIDEND RECORD**

No dividends have been paid by the Company to date.

6. **SUBSIDIARY COMPANIES**

Reference is made to the heading "Subsidiaries" appearing on page 5 of the Prospectus.

7. **FUNDED DEBT**

Reference is made to the above heading "Capitalization", to the heading "Capitalization" appearing on page 6 of the Prospectus and, for a description of the Series A Debentures, to the heading "Series A Debentures" on page 5 of the Prospectus.

8. **RIGHTS OF CONVERSION AND STOCK OPTIONS**

Reference is made to the heading "Series A Debentures" on page 5 and "Employee Stock Options" on page 8 of the Prospectus.

9. **LISTING ON OTHER STOCK EXCHANGES**

No securities of the Company are listed on any other stock exchange.

10. **STATUS UNDER SECURITIES ACTS**

The Ontario Securities Commission issued its official receipt dated December 21, 1967 acknowledging receipt of the material required under The Securities Act, 1966 (Ontario) relating to the secondary offering of 150,000 Shares of the Company. On such date the Ontario Securities Commission also issued its official receipt acknowledging receipt of the material required under the said Act relating to the offering of \$2,000,000 of the Company's Series A Debentures.

11. **FISCAL YEAR**

The fiscal year of the Company ends on July 31 in each year.

12. **ANNUAL MEETING**

The By-laws of the Company provide that the annual meeting of shareholders shall be held at such place within Ontario on such day in each year and at such time as the board, the Chairman of the Board or the President may from time to time determine. The Company has not held an annual meeting as such since amalgamation. The last meeting of shareholders of the Company was held in Toronto on November 24, 1967.

13. **HEAD OFFICE AND OTHER OFFICES**

The Head Office of the Company is located at 5150 Dixie Road, Mississauga, Ontario. The offices of Aimco Automotive Industries of Buffalo, Inc., Seaway Salvage, Inc. and 636 Babcock Street, Inc. are located at 636 Babcock Street, Buffalo, New York.

14. **TRANSFER AGENT AND REGISTRAR**

The Transfer Agent and Registrar for the Shares is National Trust Company, Limited at its principal office in Toronto.

15. **TRANSFER FEE**

No fee is chargeable on the transfer of the Shares, other than security transfer taxes.

16. **AUDITORS**

The Auditors of the Company are Thorne, Gunn, Helliwell & Christenson, Chartered Accountants, 101 Richmond Street West, Toronto.

17. **DIRECTORS AND OFFICERS**

Reference is made to the heading "Management of the Company" on page 7 of the Prospectus.

CERTIFICATE

Pursuant to a resolution duly passed by its board of directors Aimco Industries Limited hereby applies for listing of the above mentioned Shares on The Toronto Stock Exchange and the undersigned officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



AIMCO INDUSTRIES LIMITED

by "NATHAN GOODMAN", Chairman of the Board

"I. B. GOODMAN", President

CERTIFICATE OF UNDERWRITER

To the best of our knowledge, information and belief, all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

F. H. DEACON AND COMPANY LIMITED

by "ROBERT C. STONE"

Distribution of Shares as of April 23, 1968

Number						Shares
6	Holders of	1 —	24	share lots	.....	42
21	" "	25 —	99	" "	.....	1,010
75	" "	100 —	199	" "	.....	7,550
28	" "	200 —	299	" "	.....	5,625
12	" "	300 —	399	" "	.....	3,600
4	" "	400 —	499	" "	.....	1,600
13	" "	500 —	999	" "	.....	7,450
19	" "	1000 —	up	" "	.....	573,123
<u>178</u> Shareholders						<u>Total shares</u> <u>600,000</u>

Toronto Stock Exchange,
234 Bay Street,
TORONTO 1, Ontario.

April 23, 1968

Dear Sirs:

Re: Aimco Industries Ltd. Application for Listing of Shares

We hereby certify that of the 98,826 shares of the Company registered in our name, 6,956 are beneficially owned by us and that the balance are held for 362 different clients' accounts of which the holdings of 320 such clients are in excess of a board lot.

Yours truly,
F. H. DEACON & COMPANY LIMITED
"ROBERT C. STONE"
Robert C. Stone.

RCS:sjh

FINANCIAL STATEMENTS

AIMCO INDUSTRIES LIMITED
and subsidiary companies
(Incorporated under the laws of Ontario)

CONSOLIDATED BALANCE SHEET — JANUARY 31, 1968
(unaudited)

ASSETS

CURRENT ASSETS

Cash	\$	56,225	
Government of Canada bonds, at cost		962	
Accounts receivable		2,118,543	
Inventories, valued at lower of cost and net realizable value		2,993,109	
Prepaid expenses and deposits		75,820	\$5,244,659

FIXED ASSETS, at cost

Land		130,032	
Buildings	\$1,018,884		
Less accumulated depreciation	67,435	951,449	
Machinery and equipment	1,598,098		
Less accumulated depreciation	792,927	805,171	1,886,652
			<u>\$7,131,311</u>

LIABILITIES

CURRENT LIABILITIES

Bank advances (secured)	\$	617,587	
Accounts payable and accrued liabilities		1,359,509	
Taxes payable		297,850	
Loan payable		50,000	
Principal instalments due within one year on long term debt		72,392	\$2,397,338
LONG TERM DEBT, non-current portion (note 2)			2,650,461
DEFERRED INCOME TAXES (note 3)			11,000

SHAREHOLDERS' EQUITY

Capital stock (note 4)			
Authorized — 2,000,000 shares without par value			
Issued — 600,000 shares		1,303,407	
Retained earnings (note 5)		769,105	2,072,512
			<u>\$7,131,311</u>

CONTINGENT LIABILITIES (note 6)

Approved on behalf of the Board:

“NATHAN GOODMAN”, Director

“IRVING BIRRELL GOODMAN”, Director



Aimco Industries Limited

150,000 Shares without par value

Price: \$5.50 per share

F. H. DEACON & COMPANY LIMITED

181 BAY STREET, TORONTO 1

362-4492

Investment in fixed assets (net)	1,043,034	
Reduction in non-current portion of long term debt	49,354	
Debenture issue expenses, less income taxes	15,478	2,411,373
Increase in working capital		2,234,566
Working capital at beginning of period		612,755
Working capital at end of period		<u>\$2,847,321</u>

\$7,131,311

CONTINGENT LIABILITIES (note 6)

Approved on behalf of the Board:

“NATHAN GOODMAN”, Director

“IRVING BIRRELL GOODMAN”, Director

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THIS PROSPECTUS IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, A PUBLIC OFFERING OF THESE SECURITIES FOR SALE IN THE UNITED STATES OF AMERICA OR IN THE TERRITORIES OR POSSESSIONS THEREOF.

Outstanding Issue

Aimco Industries Limited

(Incorporated under the laws of Ontario)

150,000 Shares without par value

The 150,000 shares offered by this prospectus are being purchased from certain shareholders who are referred to under the heading "Principal Holders of Securities" on page 8 of this Prospectus. No part of the proceeds of the sale of such 150,000 shares will be received by the Company.

There is at present no established market for the shares offered by this prospectus and the price therefor was determined by negotiation between the underwriter and the selling shareholders.

Transfer Agent and Registrar: National Trust Company, Limited

Price: \$5.50 per share

	Price to Public	Underwriting Discount	Proceeds to Selling Shareholders
Per Share	\$5.50	\$.50	\$5.00
Total	\$825,000	\$75,000	\$750,000 (1)

(1) Before deducting expenses of issue, estimated at \$10,000

We as principals offer these 150,000 shares without par value in the capital of Aimco Industries Limited, if, as, and when issued and accepted by us, subject to prior sale and change in price and subject to the approval of all legal matters on our behalf by Messrs. Wahn, Mayer, Smith, Creber, Lyons, Torrance & Stevenson, Toronto, and on behalf of the selling shareholders by Messrs. McCarthy & McCarthy, Toronto, special counsel to the selling shareholders, and by Messrs. Mendelson, Beatty & Wood, Toronto, solicitors for the selling shareholders.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time.

It is expected that interim share certificates, later exchangeable without cost for definitive certificates, will be available for delivery on or about January 5, 1968.

Table of Contents

The Company	3
Business of the Company	3
Underwriting	5
The Shares	5
Series A Debentures	5
Dividend Restrictions	6
Capitalization	6
Management of the Company	7
Remuneration of Directors and Senior Officers	7
Principal Holders of Securities	8
Employee Stock Options	8
Auditors	8
Transfer Agent and Registrar	8
Interest of Management and Others in Material Transactions	9
Pending Legal Proceedings	9
Material Contracts	10
Financial Statements	
Balance Sheet, Combined Balance Sheet and Pro Forma Consolidated Balance Sheet	11
Statement of Earnings	12
Pro Forma Combined Statement of Earnings	12
Statement of Retained Earnings	13
Notes to Financial Statements	13
Auditors' Reports	15
Certificates	17

Purchasers' Statutory Rights of Withdrawal and Rescission

The Securities Act, 1966 (Ontario) confers on a purchaser of the securities offered hereby in certain circumstances:

- (a) the right to withdraw from the contract to purchase such security if written or telegraphic notice evidencing the intention of the purchaser not to be bound by such contract is received by the vendor not later than midnight on the second business day after the prospectus or amended prospectus is received or deemed to have been received by the purchaser or his agent;*
- (b) the right to rescind the contract to purchase such security by commencing an action within ninety days from the date of such contract or the date on which the prospectus or amended prospectus is received or deemed to be received by the purchaser or his agent, whichever is later, if such prospectus, as of the date of receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made.*

Reference is made to Sections 63 and 64 of The Securities Act, 1966 (Ontario) for the complete text of the provisions under which the foregoing rights are conferred.

The Company

Aimco Industries Limited (the "Company") is primarily a manufacturer of replacement parts for the automotive industry. It is also engaged in the rebuilding and wholesaling of automotive parts and in the scrap metal business.

The Company, whose head office is located at 5150 Dixie Road, Cooksville, Ontario, is a corporation continued under The Corporations Act (Ontario) by letters patent of amalgamation dated December 28, 1965 confirming an amalgamation agreement between Nathan Goodman Limited, Irving Goodman Limited, Carl Goodman Limited, Milton Goodman Limited, Samuel Goodman Limited and Namsic Limited.

The Company has the following subsidiaries: Aimco Automotive Industries of Buffalo, Inc., Seaway Salvage, Inc. and 636 Babcock Street, Inc., all of which are wholly-owned. In describing the business of the Company, the word "Company" is used to include subsidiaries. The statistical tables and financial statements are presented on a combined basis.

Business of the Company

History

In 1938 Mr. Nathan Goodman, the eldest of five brothers, started a scrap metal business in Toronto, an important part of which was the salvage of used automotive parts. During 1942 Mr. Nathan Goodman started to import used automotive parts from the United States for resale in the Canadian market. From 1938 to 1951 he operated his business from three small warehouses on Palmerston Avenue in Toronto. In 1945 he was joined by his brother Carl and in 1951 and 1952 by his brothers Milton, Irving and Samuel. Together they purchased a property on McCaul Street and moved their operations to that location. Beginning in 1951 the Goodman brothers partnership was carried on under the names Aimco Automotive Parts Company ("Aimco") and Amalgamated Iron and Metal Company ("Amalgamated").

Aimco began to manufacture unlined brake shoes in 1953 while Amalgamated continued in the scrap metal and used automotive parts business. The Amalgamated scrap metal business was incorporated in 1956 under the name Namsic Limited which operated that business until 1959 when it was sold to Nathan Goodman Limited, Samuel Goodman Limited, Milton Goodman Limited, Carl Goodman Limited and Irving Goodman Limited which latter companies operated the scrap metal business in partnership until 1965. Aimco established warehousing and distribution facilities in Buffalo and moved its Toronto operations to Dixie Road in 1960.

Operations

The Company is a manufacturer and wholesaler of new and used automotive parts for the replacement market and is an accepted secondary supplier of unlined brake shoes for the original equipment market. The Company's operations are broken into four divisions: manufacturing, rebuilding, wholesaling and scrap metals.

Manufacturing Division

In terms of sales volume the most important product is unlined brake shoes. The Company carries a complete line of unlined brake shoes and disc brake pads for over 300 different vehicle models.

During 1966 the Company started marketing its products under the brand name "The Aimco Line". This merchandising program, new packaging and advertising has met with great acceptance and introduced the Aimco name to the public.

Other principal products of this division are brake drums, clutch diaphragms, hubs and pressure plates, starter drives, cap and bodies, water pump impellers, hubs and bodies, rocker arm shafts and oil pump gears and shafts.

Rebuilding Division

The Company began rebuilding auto parts in 1965 and the principal products of this division are starter drives, oil pumps, rocker arm assemblies, wiper motors, washer pumps and starter solenoid switches.

Wholesale Division

This division trades in automotive electrical products, parts and components and a complete line of standard transmission gears. The Company is the largest supplier of used cores and component parts for the Canadian rebuilding industry.

Scrap Metal Division

The Company's scrap metal operations provide a major source of used automotive cores and components for other divisions. Scrap metals are obtained throughout Southern Ontario, partly through the use of a load-lugger service which is installed in various plants in Toronto and neighbouring cities.

Employees

The Company employs 69 persons in managerial, engineering, design, sales and administrative positions and 239 persons in line production, warehousing, shipping and delivery. Several production items are being and for some time have been produced on a two shift basis.

Markets

The Company's products are marketed principally in Canada and the United States to brake shoe bonders, rebuilders and wholesale distributors. In recent years the Company has been making export sales to England, Australia, Central and South America and other countries. Warehousing and distribution facilities are located in Toronto, Buffalo, Boston, Philadelphia, Atlanta, Dallas, San Francisco and Los Angeles and a warehouse has been recently established in England. With the exception of the Toronto and Buffalo warehouses, distribution facilities are not owned by the Company but are owned by others, who hold the goods as warehousemen, fill orders obtained by the Company through direct or commission sales and are compensated on the basis of a percentage of sales.

The Company's growth is illustrated by the following financial figures included in the Pro Forma Combined Statement of Earnings appearing on page 12:

	<u>1967</u>	<u>1966</u>	<u>1965</u>	<u>1964</u>	<u>1963</u>
Net sales	\$8,664,369	\$7,797,345	\$7,023,470	\$6,940,133	\$4,950,907
Pre tax earnings	774,877	773,918	579,874	494,529	441,631
After tax earnings	410,777	393,618	293,674	256,029	224,231
After tax earnings per share — based upon 600,000 outstanding shares.	68¢	66¢	49¢	43¢	37¢

The foregoing financial years are not all composed of twelve months operations as to which see the column headings on the Pro Forma Combined Statement of Earnings on page 12 and Notes 7 and 8 to the financial statements on page 14.

The introduction of new features by automobile manufacturers requires product changes by the Company in order to supply the aftermarket with replacement parts. The ability to keep pace with these changes, at competitive prices and with consistent high quality, accounts for the Company's success in the industry.

Property

Since 1960, the Company's principal manufacturing and warehousing operations have been conducted from premises owned by the Company on a 12 acre site on Dixie Road South of Highway 401 in the Township of Toronto. In 1960 a 40,000 square foot building was erected and in 1961 an addition of 20,000 square feet was completed. In 1963 a second modern warehouse and office building totalling 44,000 square feet was constructed. These facilities which were originally leased by the Company were purchased in November 1967.

Additional warehouse facilities comprising 38,000 square feet are presently in the initial stages of construction. When this building is completed the scrap metal business will be moved from leased premises in Toronto and all Canadian divisions of the Company will be operating at the same location. Upon completion of this construction approximately six acres of land will be available for future expansion.

The estimated cost of the foregoing construction is \$200,000 and such cost will be paid out of the proceeds of this issue. The sum of approximately \$198,181, being the cash portion of the purchase price of the Company's property on Dixie Road, will be paid out of the proceeds of this issue to Torduff Limited.

For further details of this purchase transaction see the heading "Interest of Management and Others in Material Transactions" on page 9. The foregoing property of the Company is held subject to mortgages thereon aggregating approximately \$399,279.

Subsidiaries

Aimco Automotive Industries of Buffalo, Inc. ("Aimco Buffalo"), a wholly-owned subsidiary incorporated in 1965 under the laws of the State of New York, is a distributor of the Company's products in the United States. It was acquired as part of the Aimco partnership business. Aimco Buffalo owns 1.3 acres of land at 685 Howard Street, Buffalo, New York, on which it constructed in 1967 a new office and warehouse building of approximately 30,000 square feet. On November 20, 1967, Aimco Buffalo completed the purchase for cash from Stop-Safe Products Corporation, Friendship, New York, of the machinery, equipment and inventory of that company's brake drum manufacturing business for a total consideration of \$240,690 allocated as to \$176,040 for machinery and equipment, \$62,490 for inventories and \$2,160 for goodwill. This business will be moved to the Aimco Buffalo plant and consolidated with its operations.

Seaway Salvage, Inc. ("Seaway") is a wholly-owned subsidiary incorporated in 1958 under the laws of the State of New York and carries on business as a used auto parts dealer under its own name and the name Interstate Auto Parts.

636 Babcock Street, Inc. ("Babcock"), a wholly-owned subsidiary, was incorporated in 1958 as a real estate holding company under the laws of the State of New York. This company's principal asset is a property immediately adjacent to the Aimco Buffalo property comprising approximately 2.2 acres of land on which is situated a warehouse building of approximately 10,000 square feet. This property is leased to Seaway.

Underwriting

Under an agreement dated December 20, 1967, F. H. Deacon & Company Limited as underwriter has agreed to purchase, subject to the terms and conditions set forth in the said agreement, the 150,000 shares without par value in the capital of the Company offered by this prospectus from Nathan Goodman, Irving Birrell Goodman, Carl Goodman, Samuel Goodman, Milton Goodman and Sydney Freedland for an aggregate price of \$750,000 payable in cash against delivery. The Company is a party to this agreement which also provides for the sale by the Company and the purchase by F. H. Deacon & Company Limited of the \$2,000,000 of Series A Debentures hereinafter referred to.

The Shares

The authorized capital of the Company is 2,000,000 shares without par value, of which 600,000 (including the 150,000 shares being offered by this prospectus) are issued and outstanding as fully paid and non-assessable. Each share without par value in the capital of the Company is entitled to one vote at all meetings of shareholders and all shares rank equally in respect of dividend rights and upon a winding-up or dissolution of the Company. No dividends have been paid on the Company's shares to date.

Series A Debentures

Under a separate prospectus of even date \$2,000,000 aggregate principal amount of the Company's 7½% Convertible Sinking Fund Debentures Series A due January 5, 1988 (the "Series A Debentures") are being offered to the public. The Series A Debentures will be issued under a trust indenture to be dated as of January 5, 1968 and entered into between the Company and National Trust Company, Limited, as Trustee (the "Trust Indenture") and secured by a first floating charge on all of the assets of the Company. The Series A Debentures will be convertible into fully paid and non-assessable shares without par value in the capital of the Company (as constituted at January 5, 1968) at the holder's option at any time up to the close of business on December 31, 1977 or, if called for redemption, on the last full business day next preceding the date specified for redemption, whichever is earlier, at a conversion price of \$6.50 per share if conversion is effected on or prior to December 31, 1972 and thereafter and on or prior to December 31, 1977 at a conversion price of \$10 per share. The Trust Indenture will contain provisions for adjustment of the conversion privilege in certain events including the issuance of shares below the conversion price in effect at the time of such issue and subdivisions, consolidations or the reclassification of outstanding shares. Provision will be made for the retirement through a sinking fund of \$115,000 principal amount of Series A Debentures on January 5 in each of the years 1972 to 1987 inclusive.

Dividend Restrictions

The Company will covenant in the Trust Indenture pursuant to which the Series A Debentures will be issued that it will not pay any cash dividends or redeem, reduce or purchase any of its outstanding shares unless after giving effect thereto (i) consolidated current assets (as defined in the Trust Indenture) will be an amount in excess of two times consolidated current liabilities (as defined); and (ii) consolidated net current assets (as defined) will be in excess of \$500,000. Based upon the Pro Forma Consolidated Balance Sheet appearing on page 11 such consolidated current assets at July 31, 1967, were 2.9 times such consolidated current liabilities and consolidated net current assets were in excess of \$2,800,000.

Capitalization

The following table shows the capitalization of the Company and its subsidiaries:

	Authorized or to be authorized	Outstanding on July 31, 1967	Outstanding on November 27, 1967	To be outstanding on completion of this financing
LONG TERM DEBT:				
AIMCO INDUSTRIES LIMITED				
Sinking Fund Debentures (1)				
7½% Convertible Sinking Fund Debentures Series A due January 5, 1988	\$2,000,000	—	—	\$2,000,000 (2)
Mortgages payable				
7¾% due 1971.....		(3)	\$ 112,046	111,350
7¾% due 1977.....		—	130,000	129,275
7% due 1984.....		(3)	157,233	156,830
Sundry indebtedness.....		\$ 76,493	60,059	56,421
SUBSIDIARY COMPANIES				
6% note (secured) of 636 Babcock Street, Inc. due 1976.....		(3)	44,827	44,377
8% note (secured) of Aimco Automotive Industries of Buffalo, Inc. due 1982.....		(3)	140,470	140,044
3¾% note (secured) of Aimco Automotive Industries of Buffalo, Inc. due 1982.....		—	—	89,640
TOTAL LONG TERM DEBT				<u>\$2,727,937</u>
SHAREHOLDERS' EQUITY				
Shares without par value (4).....	2,000,000 shs.	150,000 shs.	600,000 shs.	600,000 shs.
		(\$520)	(\$1,303,407)	(\$1,303,407)
Retained Earnings.....		730,847	681,685	549,525
TOTAL SHAREHOLDERS' EQUITY				<u>\$1,852,932</u>

- (1) Subject to the restrictions to be contained in the Trust Indenture, debentures may be issued without limitation in amount; the debentures will be secured by a first floating charge on all assets of the Company.
- (2) After giving effect to the sale by the Company to F. H. Deacon & Company Limited, pursuant to the agreement referred to under the heading "Underwriting".
- (3) Although the mortgages and secured notes referred to above were outstanding on July 31, 1967, the same are not shown as outstanding on that date since the assets and/or subsidiaries to which they relate were not owned or subsidiary companies on that date.
- (4) The Company has granted employee incentive stock options to purchase 30,000 shares of the Company further details of which are set forth under the heading "Employee Stock Options". In addition the Company has reserved 307,692 shares for issuance upon exercise of the right of conversion conferred by the Series A Debentures.

Management of the Company

The names, home addresses, positions held with the Company and principal occupations within the previous five years of the directors and officers of the Company are set forth below.

NATHAN GOODMAN	622 Vesta Drive, Toronto, Ontario	Chairman of the Board and Director
IRVING BIRRELL GOODMAN	204 Acton Avenue, Downsview, Ontario	President, Treasurer and Director
WILLIAM FRANKLIN PURVES	90 Cordova Avenue, Apartment 512, Islington, Ontario	Director
HARRY LOUIS MENDELSON, Q.C.	R.R.#1, Box 244, Maple, Ontario	Director
WINFIELD ALOYSIUS GREEN	19 Riverview Avenue, Tonawanda, New York, U.S.A.	Director
SAMUEL GOODMAN	35 Brookview Drive, Toronto, Ontario	Secretary
ALAN MARVIN ALBER, C.A.	43 Rockford Road, Willowdale, Ontario	Comptroller

Messrs. Nathan Goodman, Irving Birrell Goodman and Samuel Goodman have been directors, officers or employees of the Company for the past five years.

From November 1962 to November 1963 Mr. Purves was employed as President of Prestolite Company of Canada Limited, from November 1963 to November 1964 he was President and a Director of Weatherhead Company of Canada Limited and from January 1965 to date Mr. Purves has been with the Aimco partnership and the Company.

From November 1962 to September 1965 Mr. Green was employed as Financial Vice-President of Tree Pickle Company Inc., Buffalo, New York, and from September 1965 to date Mr. Green has been employed by Aimco Automotive Industries of Buffalo, Inc.

Mr. Mendelson during the previous five years has been senior partner of Messrs. Mendelson, Beatty and Wood, barristers and solicitors, Toronto.

Prior to joining the Company in March 1963, Mr. Alber was associated with a firm of chartered accountants.

Remuneration of Directors and Senior Officers

The aggregate direct remuneration paid by the Company to the directors and senior officers of the Company during the financial year of the Company ended July 31, 1967 was \$80,080. During the three months ended October 31, 1967 such remuneration amounted to \$50,000. By reason of the purchase of the Aimco partnership business, such remuneration will increase and it is estimated that for the current financial year the aggregate direct remuneration payable to the directors and senior officers (seven in total) of the Company and its subsidiaries will amount to approximately \$200,000.

Principal Holders of Securities

The following table lists each shareholder of the Company at November 27, 1967 and also indicates the number of shares which will be held by him on completion of the sale of the shares offered by this prospectus:

	Designation of class	Type of ownership	November 27, 1967		Following completion of the sale of the shares offered hereby	
			Number of Shares owned	Percentage of class	Number of Shares owned	Percentage of class
Nathan Goodman 622 Vesta Drive, Toronto, Ontario	Shares without par value	Of record and beneficial	144,000	24%	120,000	20%
Irving Birrell Goodman 204 Acton Avenue, Downsview, Ontario	Shares without par value	Of record and beneficial	126,000	21%	120,000	20%
Carl Goodman 33 Brookview Drive, Toronto, Ontario	Shares without par value	Of record and beneficial	108,000	18%	84,000	14%
Samuel Goodman 35 Brookview Drive, Toronto, Ontario	Shares without par value	Of record and beneficial	84,000	14%	66,000	11%
Milton Goodman 73 Prue Avenue, Toronto, Ontario	Shares without par value	Of record and beneficial	108,000	18%	48,000	8%
Sydney Freedland 149 Elder Street, Downsview, Ontario	Shares without par value	Of record and beneficial	30,000	5%	12,000	2%

Nathan Goodman and Irving Birrell Goodman by a letter agreement dated December 20, 1967 have agreed with the underwriter thereof to purchase \$650,000 of the \$2,000,000 aggregate principal amount of Series A Debentures described under the heading "Series A Debentures".

Employee Stock Options

The board of directors of the Company on December 19, 1967 adopted an employee stock option plan pursuant to which options to purchase 30,000 shares of the Company may be granted to bona fide full-time officers and employees of the Company and its subsidiaries. The directors under the said plan have authorized the granting of options to purchase the said 30,000 shares to 32 employees of the Company and its subsidiaries. All of the said options are to be exercisable at \$5.00 per share, are to expire on December 18, 1973 and are to be exercisable on a cumulative basis as to 20% thereof by each employee during the five twelve month periods following the authorization thereof; provided that no option may be exercised prior to the end of nine months following the authorization thereof. At the date of the authorization of such options the shares of the Company were not traded in the market; however, the option price is the same as the price being paid by the underwriter pursuant to the agreement referred to under the heading "Underwriting". The persons to whom the granting of the said options has been authorized include two directors of the Company who will receive options to purchase 1,500 shares, four directors and senior officers of subsidiaries of the Company who will receive options to purchase 6,400 shares and 28 other employees of the Company who will receive options to purchase 22,100 shares.

Auditors

The auditors of the Company are Thorne, Gunn, Helliwell & Christenson, Chartered Accountants, 101 Richmond Street West, Toronto.

Transfer Agent and Registrar

The Transfer Agent and Registrar for the shares of the Company is National Trust Company, Limited at its principal office in Toronto.

The register for the Series A Debentures will be kept by National Trust Company, Limited at its principal office in Toronto.

Interest of Management and Others in Material Transactions

The Company under an agreement dated as of August 1, 1967 has purchased with effect from that date from Nathan Goodman, Irving Birrell Goodman, Carl Goodman, Samuel Goodman and Milton Goodman whose addresses are set forth above, all of the assets of the partnership business carried on by them under the name Aimco Automotive Industries, including all of the outstanding shares of Aimco Automotive Industries of Buffalo, Inc. The consideration for the purchase of the said assets consisted of the assumption by the Company of all of the liabilities of the partnership at the close of business on July 31, 1967, which included indebtedness of the partnership to the vendors in the aggregate amount of \$300,000 for loans and advances made by the vendors to the partnership, and the issuance to the vendors of 410,000 fully paid and non-assessable shares of the Company. The said shares were issued to the vendors as follows: Nathan Goodman 103,000 (25.2%), Irving Birrell Goodman 93,250 (22.6%), Carl Goodman 75,250 (18.4%), Samuel Goodman 61,000 (14.9%) and Milton Goodman 77,500 (18.9%). The net book value of the assets so purchased by the Company, after allowing for liabilities assumed by the Company, amounted to \$944,546 and consequently the 410,000 shares issued for such assets were issued at approximately \$2.30 per share.

Under an agreement dated as of August 1, 1967 the Company purchased from Mr. Sydney Freedland, 149 Elder Street, Downsview, Ontario, all of the issued shares of Seaway Salvage, Inc. in consideration for the allotment and issue to Mr. Freedland of 30,000 fully paid and non-assessable shares of the Company. Mr. Sydney Freedland is a brother-in-law of the said Messrs. Goodman and is the Manager of Seaway Salvage, Inc. The book value of the assets of Seaway Salvage, Inc. amounted to \$304,756 and on such basis the said 30,000 shares were issued for approximately \$10.16 per share.

Under an agreement dated as of August 1, 1967 the Company agreed to purchase from Torduff Limited 5150 Dixie Road, Cooksville, Ontario, and the said Sydney Freedland in the respective portions of five-sixths and one-sixth, all of the issued and outstanding shares of 636 Babcock Street, Inc. in consideration for the allotment and issue of 10,000 fully paid and non-assessable shares of the Company. The shares of Torduff Limited are owned by Sydney Freedland and the wives of Nathan Goodman, Irving Birrell Goodman, Carl Goodman and Milton Goodman. The book value of the assets of 636 Babcock Street, Inc. amounted to \$53,585 and on such basis the said 10,000 shares were issued for approximately \$5.36 per share.

Under an agreement dated November 24, 1967, between Torduff Limited and the Company, the Company purchased from Torduff Limited the lands and buildings described above under heading "Property" for \$660,000, to be satisfied by the assumption of mortgages totalling \$269,279, the giving back of a mortgage for \$130,000 bearing interest at the rate of $7\frac{3}{4}\%$ per annum, maturing in ten years' time and the balance, subject to adjustments and the settlement of inter-company accounts, payable on January 15, 1968. The foregoing purchase price was based upon an appraisal report, dated October 5, 1967, prepared by Cooper Appraisals Limited.

The Company prior to completion of the aforesaid purchase of lands from Torduff Limited rented the same from Torduff Limited at a monthly rental of \$7,300. The Company also leases from Torduff Limited, as a monthly tenant, the premises on Dufferin Street, Toronto, presently used by the scrap metal division at a monthly rental of \$1,500.

Pending Legal Proceedings

In an action commenced in July 1967 in California by Aimco Buffalo against Robert Perl and Perl Auto Parts to recover \$4,253 (U.S.) for goods sold and delivered, the defendants have counterclaimed for damages in the amount of \$100,000 (U.S.). This counterclaim is being fully defended by Aimco Buffalo. The counterclaim for damages arises out of an allegedly faulty component forming part of a product supplied by the Company. If this counterclaim is substantiated the Company will have a right of action against the supplier of the component. Aimco Buffalo and the Company carry product liability insurance, and have advised their insurers of this counterclaim and if found liable will claim against their insurers. No provision has been made in the accounts of the Company to cover its loss in the event that it is found liable in the foregoing action and is not successful in its claim against its insurers.

Upon the purchase of the Aimco partnership business, the Company assumed liability in respect of an action commenced in the Supreme Court of Ontario by Dennis Smith on May 16, 1966 against the Aimco partnership for damages in the amount of \$102,000 claimed by reason of an alleged breach of a verbal contract to purchase the issued shares of Ferrolyte Corporation Limited. On the advice of counsel this claim is being disputed and no provision is made in the accounts of the Company.

Material Contracts

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by the Company and its subsidiaries within the two years prior to the date of this prospectus are the following:

- (a) An underwriting agreement dated December 20, 1967 between the Company, Nathan Goodman, Irving Birrell Goodman, Carl Goodman, Samuel Goodman, Milton Goodman and Sydney Freedland and F. H. Deacon & Company Limited relating to the sale and purchase of the Series A Debentures and 150,000 shares of the Company referred to under the heading "Underwriting";
- (b) The agreement dated as of August 1, 1967 between the Company, Nathan Goodman, Irving Birrell Goodman, Carl Goodman, Samuel Goodman and Milton Goodman referred to on page 9;
- (c) The agreement dated as of August 1, 1967 between the Company and Mr. Sydney Freedland referred to on page 9;
- (d) The agreement dated as of August 1, 1967 between the Company, Mr. Sydney Freedland and Torduff Limited referred to on page 9;
- (e) The agreement dated November 24, 1967 between the Company and Torduff Limited referred to on page 9;
- (f) An agreement dated November 2, 1967 with Sklar Construction Co. providing for the construction of an addition to the Company's manufacturing premises on Dixie Road;
- (g) An agreement dated October 31, 1967 between Aimco Buffalo and Stop-Safe Products Corporation relating to the purchase by Aimco Buffalo of the brake drum manufacturing business of Stop-Safe Products Corporation referred to on page 5.

Copies of the foregoing contracts may be examined at the head office of the Company during the period of primary distribution of the securities offered hereby and for a period of thirty days thereafter.

The Trust Indenture to be entered into between the Company and National Trust Company, Limited and dated as of January 5, 1968 when entered into may be examined at the head office of the Company and at the principal office of National Trust Company, Limited in Toronto during the period of primary distribution of the securities offered hereby and for a period of thirty days thereafter.

Aimco Industries Limited
Balance Sheet, Combined Balance Sheet and Pro Forma Consolidated Balance Sheet
July 31, 1967

	Assets		Combined Balance Sheet (note 1)	Pro Forma Consolidated Balance Sheet (notes 1 and 5)
CURRENT ASSETS				
Cash.....	\$ 3,396		\$ 48,250	\$ 107,839
Government of Canada bonds, at cost.....	962		962	962
Accounts receivable, less allowance for doubtful accounts of \$96,432 in the combined and pro forma consolidated balance sheets.....	25,590		1,748,679	1,686,139
Receivable from affiliated partnership, Aimco Automotive Industries.....	602,323		—	—
Inventories, valued at the lower of cost and net realizable value.....	239,623		2,430,132	2,492,622
Prepaid expenses and deposits.....	8,074		34,875	34,875
	<u>879,968</u>		<u>4,262,898</u>	<u>4,322,437</u>
FIXED ASSETS, at cost				
Land.....	—		20,032	130,032
Buildings.....	—		405,818	955,818
Less accumulated depreciation.....	—		55,989	55,989
	—		349,829	899,829
Machinery and equipment.....	348,579		1,280,423	1,456,463
Less accumulated depreciation.....	229,967		709,641	709,641
	118,612		570,782	746,822
	118,612		940,643	1,776,683
	<u>\$ 998,580</u>		<u>\$5,203,541</u>	<u>\$6,099,120</u>
CURRENT LIABILITIES		Liabilities		
Bank advances.....	\$ 14,802		\$ 956,830	—
Accounts payable and accrued liabilities.....	40,563		1,195,632	\$1,195,632
Taxes payable.....	127,498		296,386	296,386
Payable to shareholders.....	34,350		34,350	—
Partners' loans payable.....	—		300,000	—
Other loans payable.....	50,000		170,000	—
Principal instalments due within one year on long- term debt.....	—		54,355	71,838
	267,213		3,007,553	1,563,856
LONG-TERM DEBT, non-current portion (note 2).....	—		210,896	2,682,332
SHAREHOLDERS' EQUITY (balance sheet)				
Capital stock				
Authorized — 2,000,000 shares without par value				
Issued — 150,000 shares.....	520			
Retained earnings.....	730,847			
	<u>731,367</u>			
EQUITY (combined balance sheet)				
Capital stock, retained earnings and partners' equity			1,985,092	
SHAREHOLDERS' EQUITY (pro forma consolidated balance sheet)				
Capital stock (note 3)				
Authorized — 2,000,000 shares without par value				
Issued — 600,000 shares.....				1,303,407
Retained earnings.....				549,525
				<u>1,852,932</u>
	<u>\$ 998,580</u>		<u>\$5,203,541</u>	<u>\$6,099,120</u>
CONTINGENT LIABILITIES (note 4)				
Approved on behalf of the Board:				
(Signed) NATHAN GOODMAN, Director				(Signed) I. B. GOODMAN, Director

Aimco Industries Limited
and predecessor amalgamating companies (note 6)
Statement of Earnings

	Year ended July 31, 1967	Eight months ended July 31, 1966	Eleven months ended November 30, 1965	Year ended December 31, 1964 1963	
			(Audit restricted auditors' report)	see third paragraph of	
Net sales.....	\$1,741,150	\$1,984,358	\$1,974,652	\$1,939,375	\$1,160,947
Investment income (loss).....	42	4,940	(5,264)	1,610	400
	<u>1,741,192</u>	<u>1,989,298</u>	<u>1,969,388</u>	<u>1,940,985</u>	<u>1,161,347</u>
Inventory at beginning of period...	152,862	216,334	204,666	153,717	97,853
Costs and operating expenses other than depreciation and interest on long term debt.....	1,556,015	1,631,113	1,863,933	1,839,574	1,074,487
	<u>1,708,877</u>	<u>1,847,447</u>	<u>2,068,599</u>	<u>1,993,291</u>	<u>1,172,340</u>
Inventory at end of period.....	239,623	152,862	216,334	204,666	153,717
	<u>1,469,254</u>	<u>1,694,585</u>	<u>1,852,265</u>	<u>1,788,625</u>	<u>1,018,623</u>
Depreciation.....	45,921	31,272	45,530	51,470	41,033
Interest on long term debt.....	—	—	—	4,427	5,592
	<u>1,515,175</u>	<u>1,725,857</u>	<u>1,897,795</u>	<u>1,844,522</u>	<u>1,065,248</u>
Earnings before income taxes.....	226,017	263,441	71,593	96,463	96,099
Income taxes.....	108,000	126,000	33,073	26,054	24,245
Net earnings for the period.....	<u>\$ 118,017</u>	<u>\$ 137,441</u>	<u>\$ 38,520</u>	<u>\$ 70,409</u>	<u>\$ 71,854</u>

Aimco Industries Limited
Pro Forma Combined Statement of Earnings (note 7)

	Aimco, Amalgamated, Aimco Buffalo, Seaway and Babcock year ended July 31, 1967	Aimco and Aimco Buffalo year ended July 31, 1966 Amalgamated eight months ended July 31, 1966 Seaway and Babcock fourteen months ended July 31, 1966	Aimco year ended July 31, 1965 Amalgamated eleven months ended Novem- ber 30, 1965 Seaway and Babcock year ended May 31, 1965 Aimco Buffalo two months ended July 31, 1965	Aimco years ended July 31, 1963 and 1964 Amalgamated years ended December 31, 1963 and 1964 Seaway and Babcock years ended May 31, 1963 and 1964	
	1967	1966	1965	1964	1963
		(Audit restricted	see third paragraph of auditors' report)		
Net sales.....	\$8,664,369	\$7,797,345	\$7,023,470	\$6,940,133	\$4,950,907
Investment income (loss).....	42	4,940	(2,261)	5,209	3,700
	<u>8,664,411</u>	<u>7,802,285</u>	<u>7,021,209</u>	<u>6,945,342</u>	<u>4,954,607</u>
Inventory at beginning of period...	2,265,442	1,390,089	933,639	847,416	336,786
Costs and operating expenses other than depreciation and interest on long term debt.....	7,856,300	7,772,343	6,726,344	6,340,101	4,849,244
	<u>10,121,742</u>	<u>9,162,432</u>	<u>7,659,983</u>	<u>7,187,517</u>	<u>5,186,030</u>
Inventory at end of period.....	2,430,132	2,265,422	1,390,089	933,639	847,416
	<u>7,691,610</u>	<u>6,896,990</u>	<u>6,269,894</u>	<u>6,253,878</u>	<u>4,338,614</u>
Depreciation.....	186,672	125,210	164,437	184,454	159,793
Interest on long term debt.....	11,252	6,167	7,004	12,481	14,569
	<u>7,889,534</u>	<u>7,028,367</u>	<u>6,441,335</u>	<u>6,450,813</u>	<u>4,512,976</u>
Earnings before income taxes.....	774,877	773,918	579,874	494,529	441,631
Income taxes (note 8).....	364,100	380,300	286,200	238,500	217,400
Net earnings for the period.....	<u>\$ 410,777</u>	<u>\$ 393,618</u>	<u>\$ 293,674</u>	<u>\$ 256,029</u>	<u>\$ 224,231</u>

Aimco Industries Limited
and predecessor amalgamating companies (note 6)

Statement of Retained Earnings

	Year ended July 31, 1967	Eight months ended July 31, 1966	Eleven months ended November 30, 1965	Year ended December 31, 1964	Year ended December 31, 1963
			(Audit restricted auditors' report)	see third paragraph of	
Balance at beginning of period.....	\$ 612,830	\$ 475,389	\$ 486,869	\$ 416,460	\$ 344,606
Net earnings for the period.....	118,017	137,441	38,520	70,409	71,854
	<u>730,847</u>	<u>612,830</u>	<u>525,389</u>	<u>486,869</u>	<u>416,460</u>
Goodwill written off	—	—	50,000	—	—
Balance at end of period.....	<u>\$ 730,847</u>	<u>\$ 612,830</u>	<u>\$ 475,389</u>	<u>\$ 486,869</u>	<u>\$ 416,460</u>

AIMCO INDUSTRIES LIMITED
NOTES TO FINANCIAL STATEMENTS

Notes to the Balance Sheet, Combined Balance Sheet and Pro Forma Consolidated Balance Sheet:

1. **BUSINESSES INCLUDED AND CURRENCY CONVERSION**

- (a) The combined balance sheet includes and the pro forma consolidated balance sheet consolidates after giving effect to the transactions set out in note 5, the accounts of Aimco Industries Limited, Seaway Salvage, Inc., 636 Babcock Street, Inc., Aimco Automotive Industries (a partnership) and its wholly-owned company, Aimco Automotive Industries of Buffalo, Inc.
- (b) United States dollars have been included in the combined and pro forma consolidated balance sheets as follows:
- Current assets and current liabilities at the exchange rate prevailing at July 31, 1967;
 - Fixed assets at the rates prevailing at the dates of purchase; and
 - Long term debt and capital stock at the rates prevailing at the dates of issue.

2. **LONG TERM DEBT, NON-CURRENT PORTION**

Pro forma
consolidated
balance sheet

Aimco Industries Limited

Equipment contracts payable (secured).....	\$ 32,037
7¾ Mortgage due 1971.....	106,421
7¾ Mortgage due 1977.....	124,065
7% Mortgage due 1984.....	153,937
7½% Debentures Series A due 1988.....	2,000,000

Aimco Automotive Industries of Buffalo, Inc.

8% Note (secured by mortgage) due 1982 (U.S. \$127,418).....	137,612
3¾% Note (secured by mortgage) due 1982 (U.S. \$83,000).....	87,013

636 Babcock Street, Inc.

6% Note (secured by mortgage) due 1976 (U.S. \$38,333).....	41,247
	<u>\$2,682,332</u>

Principal payments on long term debt required during the next five years are as follows: 1968—\$71,838, 1969—\$62,255, 1970—\$50,894, 1971—\$121,806, 1972—\$151,187.

3. **CAPITAL STOCK**

307,692 unissued shares have been reserved for issue upon the conversion of the \$2,000,000 7½% Convertible Sinking Fund Debentures Series A due January 5, 1988 and 30,000 unissued shares have been reserved for issue at \$5.00 per share on exercise of employees' stock options.

4. **CONTINGENT LIABILITIES**

There is a law suit against the Company in the amount of \$102,000 and against Aimco Automotive Industries of Buffalo, Inc. in the amount of U.S. \$100,000 as more fully set out on page 9. The actual liability, if any, is indeterminable at this time and no provision for loss has been made in the accounts.

5. **PRO FORMA TRANSACTIONS**

The pro forma consolidated balance sheet gives effect at July 31, 1967 to:

- (a) (i) the issue of 30,000 shares without par value in exchange for all of the issued shares of Seaway Salvage, Inc., valued at \$304,756 being an amount equal to the book value of the shares acquired,
- (ii) the issue of 10,000 shares without par value in exchange for all of the issued shares of 636 Babcock Street, Inc., valued at \$53,585 being an amount equal to the book value of the shares acquired, and
- (iii) the issue of 410,000 shares without par value in exchange for the net assets of Aimco Automotive Industries (a partnership), valued at \$944,546 being an amount equal to the book value of the net assets acquired;

- (b) the issue and sale of \$2,000,000 7½% Convertible Sinking Fund Debentures Series A due January 5, 1988 for cash of \$1,900,000. These debentures are convertible into shares of the company at \$6.50 per share up to and including December 31, 1972 and thereafter up to and including December 31, 1977 at \$10.00 per share.
- (c) the payment of expenses estimated at \$30,000 in connection with the issue of the debentures referred to in (b) and the charging thereof to retained earnings.
- (d) the acquisition of land for \$110,000 and buildings for \$550,000 satisfied by
- | | |
|--|-------------------|
| (i) the assumption of a 7% mortgage due 1984 | \$157,233 |
| (ii) the assumption of a 7¼% mortgage due 1971 | 112,046 |
| (iii) the giving back of a 7¾% mortgage due 1977 | 130,000 |
| (iv) the reduction of accounts receivable | 62,540 |
| (v) the payment of cash | <u>198,181</u> |
| | <u>\$ 660,000</u> |
- (e) the acquisition from Stop-Safe Products Corporation of machinery and equipment for \$176,040, inventory for \$62,490, good will and other intangible items which have been charged to retained earnings in the amount of \$2,160.
- (f) the repayment of the following:
- | | |
|-----------------------------------|------------|
| Bank advances | \$ 956,830 |
| Payable to shareholders | 34,350 |
| Partners' loans | 300,000 |
| Other loans | 170,000 |
- (g) the granting to employees of options on 30,000 shares at \$5.00 per share expiring in 1973.

Notes to the Statements of Earnings and Retained Earnings of Aimco Industries Limited and its predecessor amalgamating companies.

6. COMPANIES INCLUDED

The Statements of Earnings and Retained Earnings include the accounts of Aimco Industries Limited and its predecessor amalgamating companies which were amalgamated as at November 30, 1965. The amalgamating companies were Nathan Goodman Limited, Samuel Goodman Limited, Milton Goodman Limited, Carl Goodman Limited, Irving Goodman Limited and Namsic Limited.

Notes to the Pro Forma Combined Statement of Earnings.

7. BUSINESSES INCLUDED AND CURRENCY CONVERSION

The pro forma combined statement of earnings includes earnings of the following businesses and predecessor businesses:

Aimco Automotive Industries (a partnership) for the five years ended July 31, 1967,
Aimco Industries Limited from amalgamation as at November 30, 1965 to July 31, 1967,
Nathan Goodman Limited, Samuel Goodman Limited, Milton Goodman Limited, Carl Goodman Limited and Irving Goodman Limited and Namsic Limited from January 1, 1963 to amalgamation as at November 30, 1965,
Aimco Automotive Industries of Buffalo, Inc. for the period from June 1, 1965 to July 31, 1967
Seaway Salvage, Inc. for the period from June 1, 1962 to July 31, 1967,
636 Babcock Street, Inc. for the period from June 1, 1962 to July 31, 1967.

"Aimco" refers to those operations carried on by Aimco Automotive Industries.

"Amalgamated" refers to those operations formerly carried on by Namsic Limited, Nathan Goodman Limited, Samuel Goodman Limited, Milton Goodman Limited, Carl Goodman Limited, Irving Goodman Limited and presently carried on by Aimco Industries Limited.

"Aimco Buffalo" refers to those operations carried on by Aimco Automotive Industries of Buffalo, Inc.

"Seaway" refers to those operations carried on by Seaway Salvage, Inc.

"Babcock" refers to those operations carried on by 636 Babcock Street, Inc.

United States dollars have been included in the pro forma combined statement of earnings as follows:

Depreciation at the exchange rates prevailing on the dates of acquisition of fixed assets.

Other income and expenses at the average rates of exchange during each period.

8. INCOME TAXES

Canadian income taxes have been adjusted on the following basis. Earnings before income taxes of the Canadian businesses, including the partnership, have been considered as the taxable income of one taxable Canadian corporation and income taxes computed accordingly. Income taxes of United States companies have been included at the amounts provided in the accounts of those companies.

9. UNAUDITED STATEMENT OF EARNINGS

The statement of earnings of Seaway Salvage, Inc. for the three years ended May 31, 1965 as set out below was not subject to audit.

	1965	1964	1963
Net sales.....	<u>\$1,953,503</u>	<u>\$2,036,253</u>	<u>\$1,777,570</u>
Inventory at beginning of period.....	146,007	78,928	61,407
Costs and operating expenses other than depreciation and interest on long term debt.....	<u>1,779,012</u>	<u>2,024,385</u>	<u>1,693,284</u>
	1,925,019	2,103,313	1,754,691
Inventory at end of period.....	41,892	146,007	78,928
	1,883,127	1,957,306	1,675,763
Depreciation.....	<u>13,623</u>	<u>18,009</u>	<u>27,781</u>
	1,896,750	1,975,315	1,703,544
Earnings before income taxes.....	56,753	60,938	74,026
Income taxes.....	<u>20,527</u>	<u>27,112</u>	<u>37,573</u>
Net earnings for the period.....	<u>\$ 36,226</u>	<u>\$ 33,826</u>	<u>\$ 36,453</u>

The above statement of earnings of Seaway Salvage, Inc. has been included in the pro forma combined statement of earnings.

Auditors' Report on Balance Sheets

To the Directors of

Aimco Industries Limited,

We have examined the balance sheet of Aimco Industries Limited as at July 31, 1967 and the combined balance sheet of the businesses set out in note 1 to the financial statements as at July 31, 1967. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. For Aimco Automotive Industries of Buffalo, Inc., Seaway Salvage, Inc. and 636 Babcock Street, Inc. of which we are not the auditors, we have carried out such inquiries and examinations as we considered necessary in order to accept for purposes of the combined balance sheet the reports of the auditors of these companies.

In our opinion the balance sheet presents fairly the financial position of Aimco Industries Limited as at July 31, 1967 and the combined balance sheet presents fairly the combined financial position of the businesses set out in note 1 to the financial statements as at July 31, 1967 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We further report that, in our opinion, the accompanying pro forma consolidated balance sheet presents fairly the financial position of the companies as at July 31, 1967 after giving effect as at that date to the proposed transactions set out in note 5 to the financial statements.

Toronto, Canada
December 20, 1967

(Signed) THORNE, GUNN, HELLIWELL & CHRISTENSON
Chartered Accountants

Auditors' Report on Statements of Earnings, Retained Earnings, and Pro Forma Combined Earnings

To the Directors of

Aimco Industries Limited,

We have examined the statements of earnings and retained earnings of Aimco Industries Limited for the year ended July 31, 1967 and the eight months ended July 31, 1966. We have also examined the pro forma combined statement of earnings of the businesses set out in note 7 to the financial statements for the year ended July 31, 1967. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. For Aimco Automotive Industries of Buffalo, Inc., Seaway Salvage, Inc., and 636 Babcock Street,

Inc. of which we are not the auditors, we have carried out such enquiries and examinations as we considered necessary in order to accept for purposes of the pro forma combined statement of earnings the reports of the auditors of these companies.

In our opinion:

- (a) the statements of earnings and retained earnings of the company for the year ended July 31, 1967 and the eight months ended July 31, 1966 present fairly the results of its operations for these periods in accordance with generally accepted accounting principles applied on a consistent basis; and
- (b) the pro forma combined statement of earnings of the businesses set out in note 7 to the financial statements for the year ended July 31, 1967 presents fairly the combined earnings of the businesses after providing for income taxes as set out in note 8 to the financial statements, in accordance with generally accepted accounting principles.

With respect to the statement of earnings and retained earnings of the predecessor amalgamating companies of Aimco Industries Limited set out in note 6 to the financial statements for the eleven months ended November 30, 1965 and the two years ended December 31, 1964, and with respect to the pro forma combined statement of earnings for the periods prior to August 1, 1966 as set out in the heading to that statement for the businesses set out in note 7 to the financial statements we are unable to express an opinion as to the overall fairness of these statements for the following reasons:

- (a) The reports of the auditors on the earnings of certain businesses contain a disclaimer of opinion as the scope of the audit was restricted in respect of inventories. These reports state, however, that in all other respects the statements of earnings present fairly the results of operations for the various fiscal periods as set out in the headings to the statements in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods. This applies to the following businesses:
 - (i) Nathan Goodman Limited, Samuel Goodman Limited, Milton Goodman Limited, Carl Goodman Limited, Irving Goodman Limited and Namsic Limited for the eleven months ended November 30, 1965 and the two years ended December 31, 1964;
 - (ii) Aimco Automotive Industries (a partnership) for the four years ended July 31, 1966; and
 - (iii) Seaway Salvage, Inc., for the year ended May 31, 1966.
- (b) The accounts of Seaway Salvage, Inc., as set out in note 9 to the financial statements for the three years ended May 31, 1965 were not subject to audit.

Toronto, Canada
December 20, 1967

(Signed) THORNE, GUNN, HELLIWELL & CHRISTENSON
Chartered Accountants

Dated: December 20, 1967

Certificate of Company

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder.

(Signed) NATHAN GOODMAN
Chairman of the Board

(Signed) I. B. GOODMAN
President and Treasurer

On behalf of the Board of Directors

(Signed) WILLIAM F. PURVES, Director

(Signed) WINFIELD A. GREEN, Director

Certificate of the Underwriter

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder.

F. H. DEACON & COMPANY LIMITED

Per: (Signed) ROBERT C. STONE

The following list includes the names of all persons having an interest either directly or indirectly to the extent of not less than 5% of the capital of F. H. Deacon & Company Limited: F. C. Deacon, John S. Deacon, Donald M. Deacon, Robert D. Telfer, John W. Hetherington, John C. Moorhouse, Harold J. Knight, U. Brunck, Earle B. Hawkins and M. Z. Mandell.

AIMCO INDUSTRIES LIMITED
and subsidiary companies
CONSOLIDATED STATEMENT OF INCOME
(unaudited)
SIX MONTHS ENDED JANUARY 31, 1968

Net sales		\$5,268,175
Cost and operating expenses other than depreciation and interest on long term debt	\$4,762,581	
Depreciation (note 7)	97,645	
Interest on long term debt	24,029	4,884,255
Income before income taxes		383,920
Income taxes (note 3)		181,302
Net income for the period		<u>\$ 202,618</u>

CONSOLIDATED STATEMENT OF RETAINED EARNINGS
(unaudited)

SIX MONTHS ENDED JANUARY 31, 1968

Balance at beginning of period	\$ 730,847
Adjustment of inventory of subsidiary company acquired as at August 1, 1967 to eliminate inter-company profit at date of acquisition	48,882
	<u>681,965</u>
Net income for the period	202,618
	<u>884,583</u>
Debenture discount and issue expenses less income taxes of \$16,000 applicable thereto	115,478
Balance at end of period	<u>\$ 769,105</u>

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
(unaudited)

SIX MONTHS ENDED JANUARY 31, 1968

Source of funds		
Operations		
Net income for the period	\$ 202,618	
Items not involving a current outlay of funds		
Depreciation	97,645	
Deferred income taxes	11,000	\$ 311,263
Proceeds from issue of shares		1,302,887
Proceeds from issue of debentures		1,900,000
Other long term debt issued and assumed		488,919
Working capital of businesses acquired		642,870
		<u>4,645,939</u>
Application of funds		
Cost of businesses acquired	1,302,887	
Investment in fixed assets (net)	1,043,654	
Reduction in non-current portion of long term debt	49,354	
Debenture issue expenses, less income taxes	15,478	2,411,373
Increase in working capital		2,234,566
Working capital at beginning of period		612,755
Working capital at end of period		<u>\$2,847,321</u>

AIMCO INDUSTRIES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

JANUARY 31, 1968

1. BASIS OF CONSOLIDATION

The financial statements include the accounts of Aimco Industries Limited and its wholly owned subsidiary companies Aimco Automotive Industries of Buffalo, Inc., Seaway Salvage, Inc. and 636 Babcock Street, Inc.

United States dollars have been included in the financial statements on the following basis:

Current assets and current liabilities at the exchange rate prevailing at January 31, 1968;

Fixed assets at the rates prevailing at the dates of purchase;

Long term debt and capital stock at the rates prevailing at the dates of issue;

Depreciation at the exchange rates prevailing on the dates of acquisition of fixed assets; and

Other income and expenses at the average rates of exchange during the six months ended January 31, 1968.

2. LONG TERM DEBT, non current portion

Aimco Industries Limited

Equipment contracts payable (secured)	\$ 19,588
7¾ % Mortgage due 1971	101,423
7¾ % Mortgage due 1977	119,413
7% Mortgage due 1984	151,365
7½ % Convertible Debentures Series A due 1988	2,000,000

Aimco Automotive Industries of Buffalo, Inc.

8% Note (secured by mortgage) due 1982 (U.S. \$124,190)	134,111
3¾ % Note (secured by mortgage) due 1982 (U.S. \$ 79,639)	86,004

636 Babcock Street, Inc.

6% Note (secured by mortgage) due 1976 (U.S. \$ 35,833)	38,557
	<u>\$2,650,461</u>

3. INCOME TAXES

As the companies intend to claim for income tax purposes capital cost allowances in excess of depreciation charged to income, income taxes provided for the six months ended January 31, 1968 exceed the amounts actually payable by \$11,000. This amount is included in "Deferred income taxes."

4. CAPITAL STOCK

The company issued the following shares during the six months ended January 31, 1968:

(a) 30,000 shares in exchange for all of the issued shares of Seaway Salvage, Inc., valued at \$304,756 being an amount equal to the book value of the shares acquired;

(b) 10,000 shares in exchange for all of the issued shares of 636 Babcock Street, Inc., valued at \$53,585 being an amount equal to the book value of the shares acquired; and

(c) 410,000 shares in exchange for the net assets of Aimco Automotive Industries (a partnership), valued at \$944,546 being an amount equal to the book value of the net assets acquired.

Options expiring in 1973 were granted during the six months ended January 31, 1968 to employees on 30,000 shares at \$5.00 per share.

337,692 unissued shares have been reserved for issue upon the conversion of the \$2,000,000 7½ % Convertible Sinking Fund Debentures Series A and on exercise of employees' stock options.

5. DIVIDEND RESTRICTIONS

The trust indenture under which the debentures are issued contains certain provisions restricting the payment of dividends. At January 31, 1968 approximately \$225,000 of retained earnings were free of restrictions under the most stringent of these provisions.

6. CONTINGENT LIABILITIES

There is a law suit against the company in the amount of \$102,000 by reason of an alleged breach of a verbal contract and against Aimco Automotive Industries of Buffalo, Inc. in the amount of U.S. \$100,000 for damages resulting from an allegedly faulty product component. If this latter claim is successful the company will claim against its insurers and will have a right of action against the supplier of the component.

The actual liability, if any, is indeterminable at this time and no provision for loss has been made in the accounts.

7. DEPRECIATION

Effective August 1, 1967 the companies have computed depreciation on a straight line method on substantially all of the depreciable assets.

8. COMPARATIVE FIGURES

Comparative figures for the six months ended January 31, 1967 have not been provided as they are not available.

